



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

**TESTIMONY PRESENTED TO THE FINANCE REVENUE AND BONDING
COMMITTEE**

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Testimony Supporting Senate Bill No. 25

**AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL
IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES**

Senator Daily, Representative Staples and distinguished members of the Finance Revenue and Bonding Committee, thank you for the opportunity to offer testimony on Senate Bill No. 25, An Act Authorizing and Adjusting Bonds of the State for Capital Improvements, Transportation and Other Purposes.

This bill provides an additional \$31 million of general obligation bonds in fiscal year 2011 for two projects: a new state data center and a municipal capital assistance program.

Development of a new data center for the Department of Information Technology for \$21 million will result in significant long-term operational savings by replacing expensive leased space with state-owned space with expanded capacity.

A municipal capital assistance program for \$10 million would incentivize towns to share expensive equipment purchases resulting in savings in their individual budgets. Grants would be available for acquisition costs of equipment that has an anticipated remaining useful life of not less than five years, including data processing equipment, or for certain types of vehicles that municipalities use in the performance or delivery of a required governmental function or service. Each grant would be for twenty-five per cent of the total cost each municipality incurs, or two hundred fifty thousand dollars, whichever is less. This will provide immediate assistance to our municipalities and will promote long term cooperation and shared services.

The bill also includes an additional \$4.825 million of transportation bonds to increase available funding for environmental remediation at Department of Transportation facilities.

Finally, due to continued decline in tax revenues as projected in consensus revenue estimates, the bill cancels \$388.7 million of prior General Obligation bond authorizations in order to keep the debt limit below 90% of the limit as required by statute and to allow for the initiatives described above.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee support this bill and I will be happy to answer any questions you may have.